

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN DALE MAHLUM**, on January 11, 2001 at 3:00 P.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Dale Mahlum, Chairman (R)
Sen. Chris Christiaens (D)
Sen. John Cobb (R)
Sen. Jim Elliott (D)
Sen. Bill Glaser (R)
Sen. Duane Grimes (R)
Sen. Ken Miller (R)
Sen. Emily Stonington (D)
Sen. Ken Toole (D)

Members Excused: Sen. John C. Bohlinger, Vice Chairman (R)
Sen. Don Hargrove (R)

Members Absent: None.

Staff Present: Leanne Kurtz, Legislative Branch
Mary Gay Wells, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 102, 1/8/2001
SB 149, 1/8/2001
SB 154, 1/8/2001
SB 181, 1/8/2001

Executive Action: SB 102, DP

HEARING ON SB 102

Sponsor: SEN. MACK COLE, SD 4, HYSHAM

Proponents: Monte Mason, Dept. of Natural Resources and
Conservation
Jane Jelinski, Montana Assoc. of Counties

Opponents: None

Opening Statement by Sponsor:

SEN. MACK COLE, SD 4, HYSHAM. I am carrying SB 102 at the request of the Dept. of Natural Resources and Conservation. It would authorize the exchange of state trust lands for state government and local government lands. There are a couple of amendments.

Proponents' Testimony:

Monte Mason, Dept. of Natural Resources and Conservation. He gave his testimony and handed in a written copy
EXHIBIT(los08a01).

{Tape : 1; Side : A; Approx. Time Counter : 5.7}

Jane Jelinski, Montana Assoc. of Counties. We urge your support of this bill. In Gallatin County, we could have remedied a road situation that has gone on for about ten years and this bill might provide a remedy.

Opponents' Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

SEN. COLE closed.

{Tape : 1; Side : A; Approx. Time Counter : 7.3}

HEARING ON SB 149

Sponsor: SEN. LORENTS GROSFIELD, SD 13, BIG TIMBER

Proponents: Karen Strege, Director, Montana State Library
Bette Ammon, Missoula Public Library
Mary Doggett, MT State Library Commission
Joan Bishop, Trustee, Lewis & Clark Library, Helena
Renee Goss, Sidney Public Library
Honore Bray, Director, Anaconda Library
Jim Smith, MT Library Assoc.

Opponents: None

Opening Statement by Sponsor:

SEN. LORENTS GROSFIELD, SD 13, BIG TIMER. I am bringing SB 149 at the request of the State Library Commission. We have 79 library jurisdictions in Montana. There are 110 buildings. This does not include school libraries, university libraries, law libraries, etc. We are addressing only public libraries. The funding for institutions such as libraries has been limited. The funding is widely different around the state. Some budgets are as low as \$11,000 up to \$180,000. This bill addresses this issue of funding for libraries, but more importantly creates better and more efficient funding. Right now, there is single library jurisdiction for these 79 library jurisdictions. In a small town with a 5 mill authority and low taxable values, they are not receiving much money and don't have the ability to generate much money. They might receive some donations and some from the state though this amounts to about 10 percent or less of their total budget. This bill would give some smaller libraries the opportunity to combine library districts even crossing county lines if necessary. It would provide them with efficiencies such as payroll, book purchasing or even policy making. For example, Virginia City, Ennis, Twin Bridges and Sheridan (not too far apart by Montana standards) could combine and gain significant efficiencies. A public library district could be created under this bill with at least a passable value of \$5,000,000 and not to exceed 20 mills—approximately \$100,000. That would be the maximum. The most important part of this bill is that they cannot levy anything without a vote of the people in the library district.

The board of trustees would be elected because they would have the ability to set mills. This election would be held at the same time as school board elections. Once the district was set up they could decide to have areas within the district and each district could be represented by one of the members of the board who would be elected. On page 6, line 14 it states the board could establish a property tax mill levy for the operation. They

prepare a budget and present it to the county or several counties. The commissioners would adopt the levy. But, remember, the levy would have already been approved at election time. The tax levied may not in any year exceed the maximum amount approved by the electorate. This is very important.

There are provisions in how a library district might be dissolved in Section 10.

This is not a panacea for all these types of problems that face libraries, but it is a step in the right direction. It is a tool and it will work in some areas but not necessarily in all areas. It may work better in Eastern Montana. If it would help even one or two districts, it will be a very worthwhile bill.

{Tape : 1; Side : A; Approx. Time Counter : 15.2}

Proponents' Testimony:

Karen Strege, Director, Montana State Library. She gave her testimony and handed in the written copy **EXHIBIT(10s08a02)**. She did state the fact that other states have adopted this way of bringing libraries together to maximize their efficiency .

Betty Ammon, Director, Missoula Public Library. I bring you a letter from the Missoula Board of County Commissioners **EXHIBIT(10s08a03)** in support of this bill. I agree with all that has been stated. It is a good bill and doesn't cost the state any money.

Mary Doggett, MT State Library Commission. She gave her testimony and handed in a written copy **EXHIBIT(10s08a04)**.

Joan Bishop, Trustee, Lewis and Clark Library, Helena. She gave her testimony and handed in a written copy **EXHIBIT(10s08a05)**.

Renee Goss, Sydney Public Library. I support this bill and hope that you would support it as well.

Honore Bray, Director, Anaconda Library. We support this bill because we have many small libraries in our area who in the future will be able to take advantage of this bill. It will be very beneficial to all of us.

Jim Smith, MT Library Assoc. I would like to express the support of my Association which is made up of the 79 public libraries that have been mentioned. In addition, the Association is made up of about 600 other libraries around the state. Since 1997,

this has been the number one priority of the Association as well as the State Library Commission.

{Tape : 1; Side : A; Approx. Time Counter : 27.3}

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. CHRIS CHRISTIAENS asked how this bill would assist the Teton County Library in Choteau since the county commissioners have disallowed additional funding for that library about two years ago. **Mary Doggett** replied that the Library Commission has studied that problem. She passed this question on to Karen Strege. **Karen Strege** said that this bill should be a great help. Citizens in that county could initiate a petition, approach the county commissioners and go from there. A library board could then be in charge and handle situations as needed.

SEN. CHRISTIAENS then asked about replacing a library board of trustees.

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Karen Strege responded by addressing page 5, line 4. These board members would be elected officials and it would be very difficult to remove a member. She felt language could be added to Sub-section 8 that would state how a member not doing their duty could be removed.

SEN. BILL GLASER asked how the division of existing bond indebtedness would be handled on existing property. **SEN. GROSFIELD** said that existing bonding upon dissolution must remain an obligation of the governing body and may not become an obligation of the district.

SEN. GLASER referred to Section 9 that states when a levy is approved it is based on millage and that millage stays the same until there is another election to reduce it or take it away. He asked if it is based on millage which is variable and not fixed.

SEN. GROSFIELD said not really. He suggested the committee look at page 2, line 4, showing the proposed maximum property tax mill levy is subject to 15-10-420 and that section deals with any local government entity setting their budget based on the last year's dollar amount. The mills are tied to whatever last year's dollar amount was.

SEN. DUANE GRIMES said that in north Jefferson county, it would not be hard to get 15 percent of the electors to sign a petition.

He said that would be putting two entire school districts together or solely enlarging one. But he asked what would happen to the remaining library district. Would that district get an opportunity to register their opinion. **Karen Strege** replied that in this case, 15 percent of the proposed district would have to sign the petition. The commissioners would then have to make the decision to either go ahead or not with an election and the boundaries would be drawn between the two counties. If southern Jefferson county would be excluded, the **Senator** would be right. And that would not be good because there would be a fairly limited tax base in south Jefferson county. However, there should be no reason why southern Jefferson county can't become a library district with Madison County. That would be logical. She said as the sponsor indicated, these redistricting projects would take time to set it correctly.

SEN. GRIMES asked if there would be sufficient amount of planning with the small, vulnerable library districts and also would they be forced into massive consolidation. **Mary Doggett** said that this bill only gives them an opportunity to consolidate if they should desire it. It would not force them to do so. Each would be considered on an individual basis.

SEN. JOHN COBB asked about Section 2 where it states the enlargement or creation would set the maximum mill levy not to exceed 20 mills and then in Section 9 it seems to say that with an election they could exceed the 20 mills. **SEN. GROSFIELD** replied that in Section 2, page 2, the first time 15-10-420 shows up is at the initial petition. There, it cannot exceed the 20 mills. In Section 8 and 9 on page 6, line 14 and 27, a district that is already in place and subject to 15-10-420, they can levy whatever mills it takes even if it is greater than 20 mills. He said, though, that in re-reading Section 2, where it states creation or enlargement and restricting to 20 mills, that may well be a contradiction to the intention of the remaining bill particularly Section 8 and 9.

SEN. CHRISTIAENS made a statement: His business was capped at 12 mills but currently it is at 13.64 mills under 15-10-420. One could raise the same number of dollars as one had raised in the previous year. He said that where this gets confusing is that different sections are being carved out with 15 percent signatures and with multi-county areas that would become a new library district. There may be varying amounts already levied between the counties. One may be at 10 and another at 15 or several under the 20 mills. He was not sure how one would determine what that first mill levy would be unless they go under the 15-20-420 cap to begin with.

SEN. GROSFIELD said that was a good point and the bill would probably not be used all over the state. If a county has a five mill library and the adjacent county has a twelve mill library, what mill would they go for? There would either be a raise or lowering of mills. That would have to be in the initial petition. This would then be subject to a vote.

Closing by Sponsor:

SEN. GROSFIELD closed. I hope I have clarified that 15-10-420 question. The issue that **SEN. COBB** raised should be addressed and clarified. This bill will provide some much needed ability for some libraries to expand their services. It would open some opportunities for them in many ways.

{Tape : 1; Side : B; Approx. Time Counter : 17}

HEARING ON SB 154

Sponsor: **SEN. VICKI COCCHIARELLA, SD 32, MISSOULA**

Proponents: **Myrt Charney, City Councilman, Missoula**
Jack Reidy, President, Missoula City Council
Alec Hansen, MT League of Cities and Counties
Joe Masurek, Attorney, Helena

Opponents: **None**

Opening Statement by Sponsor:

SEN. VICKI COCCHIARELLA, SD 32, MISSOULA. I am bringing you a bill providing for optional bidding preference for cities which is the same that is in place for counties. It is good for local businesses. It puts the taxes paid by the local taxpayers back into the loop and gives them a little edge when it comes to city bidding preferences.

Proponents' Testimony:

Myrt Charney, City Councilman, Missoula. As you probably know, the State of Montana has a statute for bidder preference for Montanans. It was enacted to promote Montana businesses. This bill sets up a mini program that would help the local businessmen in Missoula. The businesses in the community provide jobs, taxes, etc. and would be a help to our local businesses. The fiscal note shows that this bill carries no cost, but does have a technical concern. We do understand that any local preference statutes that might be enacted would not apply to federally

funded contracts, in whole or in part, the same as state contractor preference statues.

Jack Reidy. President, Missoula City Council. We try to help the businessmen in any way we can. They do so much for the city. I would appreciate your consideration.

Alec Hanson, MT League of Cities and Counties. We support this bill. The most important word in the entire bill is the first word, "optional". If a city or town wants to have this preference, they make that decision. It helps the cities to improve economic conditions. Cities should have the right to consider this possibility.

Joe Masurek, Attorney, Helena. I appear on behalf of the City of Great Falls and we support this bill for all the above reasons.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. DUANE GRIMES asked if there was a limit set in this bill. **Alec Hanson** said that for cities and counties, there was \$20,000 for equipment and supplies and \$25,000 on construction. Some cities do bid on smaller purchases just to get a feel for the market. Three percent of \$20,000 would be \$600. The minimum is \$20,000 and up.

SEN. GRIMES asked what the definition of a city resident is. For example in Missoula and surrounding suburbs, if Stevensville implements this and one of the closet manufacturing employees lived in Stevensville, what happens. **Mr. Hanson** replied that this bill is almost a mirror of a county statue that is in effect for county people. This would take care of people who live in the county, but not in Missoula.

{Tape : 2; Side : A; Approx. Time Counter : 0}

SEN. BILL GLASER commented that if the bid limit is \$20,000 or \$25,000 and this is restricted with no more than \$500 difference (or three percent higher), would this bill then only apply to the area of permissive bidding where the city decides whether or not they are going to bid. Then if they decide to bid and receive some bids they don't like outside of the city within \$200, they can then accept it? **Myrt Charney** said that it would be advertised in the bid whether the preference would be granted or not. It would also be part of the policy the city adopted. He said that it would come in with the purchase of used vehicles and

sometimes with new vehicles. It seems that some of the dealers are located outside Missoula and come in because they have lower taxes and pay a lesser wage. He felt that the business should stay within the city limits. If the Missoula business bid is over the three percent, then there is no problem of awarding the contract to someone outside of Missoula.

SEN. GLASER rephrased his question concerning the bill's language regarding "\$500 or three percent higher whichever is less." So if a project is more than \$18,000, the city can't do it. He wanted to know if that is the intention of the bill. **Mr. Hanson** said that the limit is \$500 or three percent whichever is less. If the city decides they want to bid something for \$1,000, the preference would be \$30. If a bid was \$100,000, the preference would be \$500 because that would be less than three percent. The maximum amount of the preference is \$500. The minimum amount is three percent.

SEN. EMILY STONINGTON inserted that she thought what was said was the minimum competitive bid was \$20,000. **Mr. Hanson** replied that the state law says that anything over \$20,000 has to be bid, but it does not say that a city cannot bid something less than \$20,000 if they want. It used to be \$10,000.

SEN. COBB stated that a technical amendment might be needed.

SEN. STONINGTON said that the bill doesn't address where the person lives but where the business is located. And this business must be located within the city.

SEN. KEN MILLER commented that his concern was that many times the equipment dealers are just outside the city limits and possibly the city government should be given more flexibility in who should be included in the "city" bidders.

Closing by Sponsor:

SEN. COCCHIARELLA closed. It is important to remember that in 7-5-2309, the counties already have the bidding preference in existence. This is a bill with identical language but aimed at the cities. It deals with a contract subject to competitive bids. That is where one would start with in application to this bill. I hear what has been said about stair stepping out from city preference to county preference and intertwine these two entities. At this point in time, if we can get the county residences optional bidding preference standard and in place, local businesses will be better off. This bill might be even better for smaller communities. This bill is intended to take care of the local people. I am not sure what **SEN. GLASER'S**

concern is. If the committee has suggestions about clarification, I would be happy to work on it.

{Tape : 2; Side : A; Approx. Time Counter : 9.5}

HEARING ON SB 181

Sponsor: SEN. JOHN COBB, SD 25, AUGUSTA

Proponents: Janet Brooke, Child Care Partnerships

Opponents: None

Opening Statement by Sponsor:

SEN. JOHN COBB, SD 25, AUGUSTA. I bring you SB 181. It is a bill on behalf of Child Care Partnerships. They are seeking to get a low interest loan as they purchased a building in Helena. They are remodeling the building for classrooms and a small child care facility. Montana law currently allows counties and municipalities to use bond proceeds for projects to help lower interest rates. Projects in this statute started for industrial projects, but in looking at page 2, line 4, it has become a hodge-podge of entities. People just keep adding projects to it. It is still subject to county approval. This group tried to get a loan and their financial advisor said that they needed to change this statute to get a low interest loan because child care facilities didn't fit into the statute. So they are just asking to be allowed into the statute. In retrospect, we should allow everyone to be in it. In the final analysis, the county or municipality has the final say.

Proponents' Testimony:

Janet Brooke, Child Care Partnerships (CCP). We are a non-profit child care resource and referral program and serve a three county area: Lewis & Clark County, Jefferson County and Broadway County. There are twelve child care resource and referral agencies across the state. There is one in every legislative district. We have outreach to twelve other communities. We work primarily with families seeking child care and working with the child care providers. As communities and family needs change, our program expands and evolves. We now manage the state assisted child care program which is an integral part of welfare reform. We offer training and professional help and opportunities for child care providers so that they can enhance their quality of care. We have developed a family resource center. We offer parenting classes, support services and work

with other community agencies. This bill would allow our agency and other agencies across the state to better address these issues. As a non profit, the dollars are a big consideration. We look for ways to make the dollars stretch further. The city of Helena obtained a HUD (Housing & Urban Development) CDBG (Community Development Block Grant) through the Department of Commerce to help us make our building handicap accessible. This bill will allow us to continue our work.

Opponents' Testimony: None

Questions from Committee Members and Responses:

SEN. JIM ELLIOTT asked if victims of spousal abuse could be included in this bill under the definition of family services providers. He further asked that if the definition didn't include spousal abuse, would the sponsor object to an amendment to do so. **SEN. COBB** replied that the definition was supplied by the attorney for CCP, and was not sure if that would include spousal abuse. **Janet Brooke** offered the opinion that the definition would include spousal abuse in the broad interpretation but would have no objection to an amendment if necessary.

SEN. DUANE GRIMES asked how this bill would affect existing providers in the context of unfair competition and would this bill force current operators to go non profit to secure bond proceeds. **Ms. Brooke** said that the primary focus of CCP is to work with families of child care providers in counseling and training activities. With the CDBG grant, they would have an on-site child care area that would serve two purposes. During the day it would be a training and observation site for child care providers and for families. While the training is in progress, the facility would be available for those attending to place their children. There also, she continued, is a need in Helena for child care in the evening and weekends.

SEN. EMILY STONINGTON inquired if the language used in this bill describes only what CCP does and would that actually be able to include what **SEN. ELLIOTT** desires. As she reads the bill, her understanding was that the family services provider means someone that provides child and adult training and child and adult care on premises and parenting classes and child and adult care referrals and family support services. So something that would provide one or the other would not qualify. **Ms. Brooke** replied that the bill had been written concerning CCP specifically and she had been advised to make the bill specific.

SEN. STONINGTON stated that as a state senator, and writing state policy she would not be comfortable in writing a bill and definition for one person specifically. And if the committee continues with the bill, she would hope to expand the definition because, in reading the statute surrounding this piece of legislation, if a local government chooses to issue a bond in order to give a low interest loan, then they would pay all the expenses of running a bond issue. The local government writes the bond to limit their own liability and if it is a revenue bond then CCP income would be paying the bond holders back, and the local government would take on a certain amount of liability because they issue the bonds and they pay for all the issuances in writing it up, etc. **Ms. Brooke** said that when they first discussed the manner in which to write the bill, they were going to have it written for non profits or community agents who fulfill a need in the community. The questions came back asking if that means the tennis club, etc. That is the reason they said to be very specific.

SEN. STONINGTON asked **SEN. JOHN COBB** if he would rewrite the definition in the form of an amendment but keep it aimed at family service providers. **SEN. COBB** replied that everyone has added their name to the statute so the committee might as well expand it to include all who want to be included. It started with industrial revenue and has been expanded to a lot of other things.

SEN. CHRISTIAENS asked the Legislative Staff, **Leanne Kurtz**, if she could explain if an organization were providing only child or adult care then they would not qualify. He further stated that he would like to see the bill as broad as possible.

{Tape : 2; Side : B; Approx. Time Counter : 0; Comments : Turned tape in middle of Sen. Christiaens comments.}

Since Montana is the fourth fastest growing state in the nation for older citizens, the services for that population is unknown and a bill of this nature, broadened considerably, could be of great help to these people as well as others. Local governments should be allowed to make individual decisions based upon the needs at the time.

SEN. COBB wondered if the title could be broadened and change "family services provider" or do something just in the definition. **Ms. Kurtz** said that "family service provider facilities" in the title is fairly broad. Where it gets specific is in the definition. It is in the scope of the title to broaden the definition.

CHAIRMAN DALE MAHLUM suggested that the bill get cleaned up before executive action is taken. He then presented a question concerning line 22, asking if "child and adult care on the premises" would be in competition with private enterprise. **Ms. Brooke** said that they would be offering child care for evening and weekends which at this time they did not consider to be in competition. She stated that their primary focus is on training.

SEN. KEN MILLER stated that there was nothing in this legislation that would restrict them from having an eight to five day care.

Ms. Brooke said that was correct.

SEN. KEN TOOLE felt that Helena could use some child care places for evenings and weekends. **Ms. Brooke** said there were a few facilities of this nature but that they were not registered. She said that their place is geared for only eight children at a time. In Helena, the majority of places for child care is in homes and groups and not in centers. This is caused by either economics or what the parents seem to prefer. That is why their focus is on training.

Closing by Sponsor:

SEN. COBB closed.

{Tape : 2; Side : B; Approx. Time Counter : 7}

EXECUTIVE ACTION ON SB 102

Motion/Vote: **SEN. CHRIS CHRISTIAENS** moved **SB 102 DO PASS.**

Motion carried unanimously.

ADJOURNMENT

Adjournment: 4:50 P.M.

SEN. DALE MAHLUM, Chairman

MARY GAY WELLS, Secretary

DM/MW

EXHIBIT (los08aad)